

IOWA FINANCE AUTHORITY[265]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code sections 17A.3(1)“b” and 16.5(1)“r,” the Iowa Finance Authority hereby amends Chapter 3, “Multifamily Housing,” Iowa Administrative Code.

The purpose of these amendments is to facilitate the construction and rehabilitation of workforce and affordable multifamily housing by establishing a mechanism for loaning funds to cities and counties to reloan for housing development purposes.

The Authority does not intend to grant waivers under the provisions of any of these rules, other than as may be allowed under the Authority’s general rules concerning waivers.

Pursuant to Iowa Code section 17A.4(3), the Authority finds that notice and public participation are impracticable and contrary to the public interest in that housing is urgently needed in some parts of the state, and the normal notice and public participation process would likely delay implementation of these amendments beyond much of the 2010 building season.

The Authority finds that these amendments confer a benefit on the persons affected, namely individuals and communities in need of workforce and affordable housing, in that the amendments provide a form of financial assistance and ease and speed the administration of assistance benefiting those persons and should be implemented as soon as feasible in order to alleviate housing shortages in the affected areas. Therefore, these amendments are filed pursuant to Iowa Code section 17A.5(2)“b”(2), and the normal effective date of these amendments is waived.

The Authority adopted these amendments on May 12, 2010.

These amendments are also published herein under Notice of Intended Action as **ARC 8790B** to allow for public comment.

These amendments became effective May 12, 2010.

These amendments are intended to implement Iowa Code sections 16.1(1)“ad”(18), 16.3, 16.5(1), and 16.5C.

The following amendments are adopted.

ITEM 1. Amend subrule 3.5(1) as follows:

3.5(1) Projects eligible for assistance must meet the following criteria, in addition to any specific requirements applicable to a particular category of loan as set forth in rule 265—3.6(16), 265—3.7(16), ~~or 265—3.8(16), or 265—3.9(16),~~ as applicable:

a. to f. No change.

g. ~~Loans~~ Except as permitted in the case of loans made pursuant to rule 265—3.8(16), loans shall be secured by a first mortgage; provided, however, that in limited cases the authority may consider a subordinate mortgage when the first mortgage is held by another entity.

h. to o. No change.

ITEM 2. Renumber rules **265—3.8(16)** to **265—3.11(16)** as **265—3.9(16)** to **265—3.12(16)**.

ITEM 3. Adopt the following new rule 265—3.8(16):

265—3.8(16) Multifamily loan program for workforce housing loan assistance. Projects eligible for loans under this category must satisfy the following conditions, in addition to (or instead of, if there is a conflict) the requirements of rule 265—3.5(16):

3.8(1) A loan made under this category (the “primary loan”) shall be made to an Iowa city or county for the purpose of being reloaned by the borrower in order to provide financial assistance to an identified project to rehabilitate or create new rental workforce or affordable multifamily housing within the borrower’s jurisdiction (the “secondary loan”). The authority may restrict the use of funds to a designated portion of the borrower’s jurisdiction.

3.8(2) At least 50 percent of the housing units rehabilitated or created with the proceeds of the secondary loan shall be restricted to families whose annual income at the time of leasing is at or below 120 percent of the area median income, unless the authority agrees otherwise.

3.8(3) The primary loan may be unsecured, but it shall constitute a general obligation of the borrower.

3.8(4) Preference under this category shall be given to cities and counties that can document an increased need for housing as the result of new job creation within their jurisdiction.

3.8(5) The borrower shall use funds received in repayment of the secondary loan first to make the scheduled principal and interest payments on the primary loan. Any secondary loan payments remaining after all then-due scheduled payments on the primary loan have been repaid may be reloaned by the borrower on the same basis as if such secondary loan payment amounts were proceeds of the primary loan.

[Filed Emergency 5/12/10, effective 5/12/10]

[Published 6/2/10]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/2/10.